



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 06-28

March 21, 2006

Petition of Fitchburg Gas and Electric Light Company to the Department of Telecommunications and Energy for approval of a change in the method by which the Company recovers its electric supply-related bad debt costs.

REQUEST FOR COMMENT

On March 7, 2006, Fitchburg Gas and Electric Light Company d/b/a Unitil (“Fitchburg”) submitted to the Department of Telecommunications and Energy (“Department”) a request for approval of recovery of actual electric supply-related bad debt for effect January 1, 2006, as well as its under-recovered electric supply-related bad debt for calendar year 2005 on a retrospective basis. Specifically, Fitchburg proposes to revise its default service tariff to permit the Company to flow-through its actual uncollected costs associated with electric supply.

Fitchburg stated that its request is consistent with the Department’s determinations in Bay State Gas Company, D.T.E. 05-27 (2005), and KeySpan Energy Delivery New England, D.T.E. 05-66 (2005). In D.T.E. 05-27, at 178-186, the Department determined that gas local distribution companies (“LDCs”) could recover bad debt expense on a dollar-for-dollar basis. The Department delineated a method by which Bay State Gas Company and other LDCs could recover gas-related bad debt expenses through the Cost of Gas Adjustment Clause. Id. at 188-190. In Fitchburg’s last base rate proceeding, the Department limited the recovery of both electric and gas bad debt expense to a percentage of the bad-debt expense level approved in the rate case. D.T.E. 02-24/25, at 172 (2002).

In its filing, Fitchburg states that the “recovery would not constitute retroactive ratemaking, because the limitations on retroactive ratemaking apply only to base-rate changes and do not apply to a reconciling mechanism.” Request at 4, citing Fitchburg Gas and Electric Light Company v. Department of Telecommunications and Energy, 440 Mass. 625, at 637-638 (2004). The Department issues the following briefing questions related to Fitchburg’s assertion:

- In addition to the briefing questions, the Department seeks general comments on the Company's proposal. Department precedent should be cited in support of any comments.

All comments must also be submitted in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and carol.pieper@state.ma.us; or (2) on a 3.5" IBM-compatible disk. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding, D.T.E. 06-28; (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. Text responses should be formatted as either Word Perfect, Microsoft Word, or Adobe PDF compatible files. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's web site: <http://www.mass.gov/dte>.

The Company's petition may be inspected at the offices of the Department during normal business hours (Monday through Friday, 9:00 a.m. to 5:00 p.m.).

By Order of the Department,

/s/

Mary L. Cottrell, Secretary